

Message Text

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PAGE 01 LISBON 02627 071831Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 FRB-03 /131 W
-----043409 080745Z /13
R 071555Z APR 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 5366

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E.O. 11652: N/A
TAGS: EFIN, ENRG, PO
SUBJECT: FINANCING FACILITY FOR PETROGAL CRUDE OIL AND
PRODUCT IMPORTS

1. A CONSORTIUM OF BANKS HEADED BY MORGAN GUARANTY TRUST IS ASSEMBLING A 240 MILLION DOLLAR BANKERS' ACCEPTANCE FACILITY TO FINANCE PETROGAL'S IMPORTS OF CRUDE OIL AND REFINED PRODUCT. RICHARD ALDRICH OF FIRST WASHINGTON SECURITIES CORPORATION (A SUBSIDIARY OF BACHE, HALSEY STUART) CALLED ON AMBASSADOR APRIL 6 TO BRIEF HIM ON THE PROJECT.

2. IN DESCRIBING THE FACILITY, ALDRICH NOTED THAT THE FACILITY WILL BE FOR 210 PLUS 30 DAYS BEYOND DATE OF SHIPMENT. HE THOUGHT THESE TERMS MIGHT ENCOUNTER SOME DIFFICULTY BECAUSE FEDERAL RESERVE REGULATIONS REPORTEDLY REQUIRE THAT SUCH PAPER, TO BE ELIGIBLE FOR DISCOUNT BY FEDERAL RESERVE, MUST HAVE A TERM OF NO MORE THAN 180 DAYS, PLUS 30 DAYS BEYOND DATE OF SHIPMENT. ALDRICH BELIEVES, HOWEVER, THAT THE REGULATION IS MORE OF A GUIDELINE THAN A HARD RULE. HE PLANS TO APPLY FOR AN EXCEPTION.

3. EMBASSY IS NOT SUFFICIENTLY FAMILIAR WITH FED
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REGULATIONS TO JUDGE ALDRICH'S STATEMENT. IF, IN FACT, FED REGULATION IS AS FLEXIBLE AS ALDRICH SUGGESTS, WE WOULD DEFINITELY SUPPORT AN EXCEPTION IN THIS CASE.
BLOOMFIELD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, BANK CONSORTIUMS, REFINERIES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780481/aaaacrbx.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 779ed4b4-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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TAGS: EFIN, ENRG, PO
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